



Norfolk Southern Corporation
Law Department
Three Commercial Place
Norfolk, Virginia 23510-9241

David A. Shelton
Assistant General Attorney

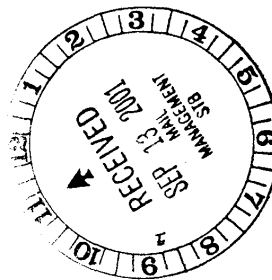
Writer's Direct Dial Number

(757) 629-2834
(757) 533-4872 (fax)
E-mail: David.Shelton@nscorp.com

September 6, 2001

VIA U.S. MAIL

Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, NW
Washington, DC 20423-0001



RECORDATION NO. 19041-E FILED
SEP 14 '01 3-02 PM
TS
SURFACE TRANSPORTATION BOARD

Dear Secretary:

Enclosed please find an original and one copy of the document described below to be recorded pursuant to Section 11301 of Title 49 of the U.S. Code.

This document is a memorandum of locomotive lease agreement documenting a lease amendment, a secondary document, dated April 30, 2001. The primary document to which this is connected is recorded under Recordation No. 19041.

The names and addresses of the parties to the document are as follows:

Lessor: Locomotive Management Services
2901 East lake Road
Erie, PA 16531

Lessee: Consolidated Rail Corporation
2001 Market Street
P.O. Box 41416
Philadelphia, PA 19101-1416

Sub-lessee: Norfolk Southern Railway Company
Three Commercial Place
Norfolk, VA 23510-9121

Mr. Vernon A. Williams
September 6, 2001
Page 2

A description of the equipment covered by the document follows:

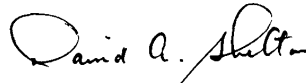
25 General Electric Dash 8-40 CW diesel electric locomotives
Original Road Numbers: 715 - 739
Current Mark and Road Numbers: LMSX 715 - 739
Locomotive Frame Numbers: 481119 - 481143

A fee of \$28.00 is enclosed. Please return the original and any extra copies not needed by the Board for recordation to me at the above address.

A short summary of the document to appear in the index follows:

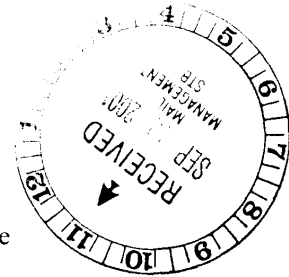
Memorandum of locomotive lease agreement documenting the amendment of the locomotive lease with Recordation No. 19041, dated April 30, 2001 and covering 25 General Electric Dash 8-40 CW diesel electric locomotives.

Sincerely,


David A. Shelton

Enclosures

STATE OF VIRGINIA)
) ss:
CITY OF NORFOLK)



On this 28th day of August, 2001, I have compared the copy of the
MEMORANDUM OF LOCOMOTIVE LEASE AGREEMENT, PARTIAL
TERMINATION THEREOF AND ASSIGNMENT OF LEASEHOLD INTEREST
THEREIN by and among Locomotive Management Services, Consolidated Rail
Corporation and Norfolk Southern Railway Company with the original document, and I
have found the copy to be complete and identical in all respects to the original document.

Sandra J. Korbey
Notary Public

My commission expires March 31, 2002

**MEMORANDUM OF LOCOMOTIVE LEASE AGREEMENT,
PARTIAL TERMINATION THEREOF AND ASSIGNMENT OF
LEASEHOLD INTEREST THEREIN** dated as of April 30, 2001 (the
"Memorandum") by and among **Locomotive Management Services**, a
Delaware general partnership ("LMS"), **Consolidated Rail Corporation**,
a US corporation ("CRC") and **Norfolk Southern Railway Company**, a
US corporation ("NSR").

WHEREAS, LMS as lessor and CRC as lessee entered into a Locomotive Lease Agreement dated as of November 15, 1994, as amended by the Assignment and Assumptions Agreements ("the Assignments") dated as of June 1, 1999, whereby CRC sub-leased to NSC, for approximately 5.5 months of each calendar year, the twenty-five (25) General Electric Dash 8-40 CW diesel locomotives, as more particularly described in Schedule A hereto (those thirteen (13) such locomotives being, the "First Group") and in Schedule B hereto (those twelve (12) such locomotives being, the "Second Group"), which was originally scheduled to terminate on November 1, 2012;

WHEREAS, LMS, CRC and NSR have entered into an Amendment Number 1 dated as of the date hereof (such Amendment Number 1 together with such Locomotive Lease Agreement and such Assignments being collectively, the "Lease") whereby NSR will lease the First Group on a full-time basis and Canadian National Railway Company ("CN") or its assign will lease the Second Group on a full-time basis;

WHEREAS, the terms and conditions of the Lease are incorporated by reference into this Memorandum as if fully set forth herein;

AND WHEREAS, the parties hereto desire that this Memorandum be a) filed with the Surface Transportation Board pursuant to Title 49 of the *United States Code* Section 11301 and b) deposited pursuant to Section 105 of the *Canada Transportation Act*.

NOW, THEREFORE, for good and valuable consideration, the parties wish to evidence for the public record, the existence of the Lease, the interests created thereby and, more particularly, the following matters specified therein:

- 1) LMS is the owner of the locomotives described in the First Group and the Second Group;
- 2) LMS, CRC and NSC have early terminated the Lease in respect of the locomotives in the Second Group when such locomotives are being delivered by NSC to Canadian National Railway Company ("CN"), on or around November 1, 2001, at the direction of LMS;

RECORDATION NO. 19041-E 7027

SEP 14 '01 3-02 PM

SURFACE TRANSPORTATION BOARD

- 3) LMS as lessor, and both CRC as lessee and NSC as sub-lessee, acknowledge the termination date of the Lease (which shall be on a full year basis starting November 1, 2001) as November 1, 2012 in respect of the locomotives in the First Group;
- 4) As of the date hereof, the Lease is in full force and effect;

IN WITNESS WHEREOF, the parties hereto have caused this Memorandum to be executed, by their officers thereunto duly authorized, as of the day and year first above written.

**LOCOMOTIVE MANAGEMENT
SERVICES**

**CONSOLIDATED
RAIL CORPORATION,**

By:
Its:



By: _____
Its: _____

**NORFOLK SOUTHERN
RAILWAY COMPANY,**

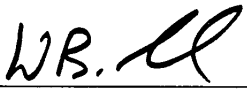
By:
Its:



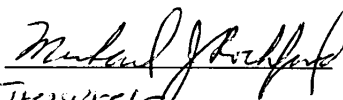
- 3) LMS as lessor, and both CRC as lessee and NSC as sub-lessee, acknowledge the termination date of the Lease (which shall be on a full year basis starting November 1, 2001) as November 1, 2012 in respect of the locomotives in the First Group;
- 4) As of the date hereof, the Lease is in full force and effect;

IN WITNESS WHEREOF, the parties hereto have caused this Memorandum to be executed, by their officers thereunto duly authorized, as of the day and year first above written.

LOCOMOTIVE MANAGEMENT
SERVICES

By: WR. 
Its: David Tucker
LMS, Partner

CONSOLIDATED
RAIL CORPORATION,

By: 
Its: Treasurer

NORFOLK SOUTHERN
RAILWAY COMPANY,

By: _____
Its: _____

COMMONWEALTH/STATE OF _____)

) ss:

COUNTY/DISTRICT OF _____)

On this ____ day of _____, 2001, before me personally appeared _____, to me personally known, who, being by me duly sworn, says that he is _____ of CONSOLIDATED RAIL CORPORATION, that the foregoing instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Notary Public

COMMONWEALTH/STATE OF Virginia)

City

) ss:

COUNTY/DISTRICT OF Norfolk)

On this 24th day of July, 2001, before me personally appeared M. D. Marion, to me personally known, who, being by me duly sworn, says that he is Vice President of NORFOLK SOUTHERN RAILWAY COMPANY, that the foregoing instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Sandra J. Kirby
Notary Public

My commission expires March 31, 2002

STATE OF PENNSYLVANIA)

) ss:

CITY / COUNTY OF ERIE)

On this 26th day of July, 2001, before me personally appeared DAVID TULKER, to me personally known, who, being by me duly sworn, says that he / she is PARTNER of Locomotive Management Services, that the foregoing instrument was signed on behalf of said partnership by authority of its partners, and he / she acknowledged that the execution of the foregoing instrument was the free act and deed of said partnership.

Deborah A. Kuhns
Notary Public

My commission expires: _____

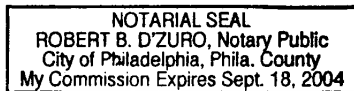
[Notarial Seal]

Notarial Seal
Deborah A. Kuhns, Notary Public
Erie, Erie County
My Commission Expires Oct. 6, 2003

COMMONWEALTH/STATE OF Pennsylvania)

COUNTY/DISTRICT OF Philadelphia) ss:

On this 18th day of July, 2001, before me personally appeared Michael J. Rochford, to me personally known, who, being by me duly sworn, says that he is Treasurer of CONSOLIDATED RAIL CORPORATION, that the foregoing instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.



Robert B. D'Zuro
Notary Public

COMMONWEALTH/STATE OF _____)

COUNTY/DISTRICT OF _____) ss:

On this _____ day of _____, 2001, before me personally appeared _____, to me personally known, who, being by me duly sworn, says that he is _____ of NORFOLK SOUTHERN RAILWAY COMPANY, that the foregoing instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Notary Public

STATE OF PENNSYLVANIA)

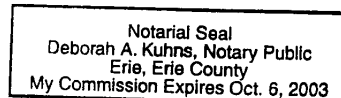
CITY / COUNTY OF ERIE) ss:

On this 26th day of July, 2001, before me personally appeared David Tucker, to me personally known, who, being by me duly sworn, says that he / she is Partner of Locomotive Management Services, that the foregoing instrument was signed on behalf of said partnership by authority of its partners, and he / she acknowledged that the execution of the foregoing instrument was the free act and deed of said partnership.

Deborah A. Kuhns
Notary Public

My commission expires: _____

[Notarial Seal]



SCHEDULE A TO MEMORANDUM

First Group - Terminated Locomotives

- 13 General Electric Dash 8-40 CW diesel-electric locomotives described as follows:

<u>Original Road Number</u>	<u>Current Mark & Road Number</u>	<u>Locomotive Frame Number</u>
715	LMSX 715	481119
716	LMSX 716	481120
717	LMSX 717	481121
718	LMSX 718	481122
719	LMSX 719	481123
720	LMSX 720	481124
721	LMSX 721	481125
722	LMSX 722	481126
723	LMSX 723	481127
724	LMSX 724	481128
725	LMSX 725	481129
726	LMSX 726	481130
727	LMSX 727	481131

SCHEDULE B TO MEMORANDUM

Second Group - Currently Leased Locomotives

- 12 General Electric Dash 8-40 CW diesel-electric locomotives described as follows:

<u>Original Road Number</u>	<u>Current Mark & Road Number</u>	<u>Locomotive Frame Number</u>
728	LMSX 728	481132
729	LMSX 729	481133
730	LMSX 730	481134
731	LMSX 731	481135
732	LMSX 732	481136
733	LMSX 733	481137
734	LMSX 734	481138
735	LMSX 735	481139
736	LMSX 736	481140
737	LMSX 737	481141
738	LMSX 738	481142
739	LMSX 739	481143